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No. 87-1959

In the Supreme Court of the United States

OCTOBER TERM, 1987

PHILLIPS PETROLEUM COMPANY, AMOCO PRODUCTION COMPANY and CITIES SERVICE OIL AND GAS CORPORATION, *Petitioners,*

vs.

OLIVER S. BROWN, et al., *Respondents.*

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE TENTH CIRCUIT

BRIEF IN OPPOSITION

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June 14, 1988

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QUESTION PRESENTED

In this class action in the nature of interpleader involving claims to the proceeds of helium extracted from natural gas, counsel for the defendant Lessee Producer class recovered a common fund for the benefit of the class after engaging in twenty-five years of litigation in several state and federal district courts. At least six groups of appeals were taken to the Tenth Circuit, as to which there were ten denials of petitions for certiorari by this Court. They were opposed by six teams of lawyers representing different sets of interested parties. The total Record was the largest ever amassed in that Circuit. A $75 million fund for the benefit of the Lessee Producer class resulted from a 1985 settlement by a major helium extractor, representing almost half of the helium subject to the litigation.

The question presented is whether the trial court abused its discretion in finding that a reasonable amount equal to 16.5% of the fund should be used for paying all litigation expenses and attorneys' fees to the class representatives and class counsel for the twenty-five year period, such finding being made only after the court (which handled the litigation from its inception) conducted a five day evidentiary hearing on the expense and fee issues and after the court made findings concerning, and weighed, twelve specific factors, including time and contingency, bearing on the issue of reasonableness.

LIST OF PARTIES

Respondents' statement pursuant to Rule 28.1 is re-rinted in the Appendix, infra.

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BRIEF IN OPPOSITION

STATEMENT OF THE CASE

Petitioners fail to state the factual record "with accuracy" as required by Rule 21.5. Their petition omits and misstates material facts in the record. They ignore key facts which the trial court, and the appellate court, considered and concluded. The result is a hypothetical case which bears no relationship to what happened below, manufactured by petitioners to rationalize their groundless conclusion that the trial court used an "arbitrary percentage" to fix attorney fees that "far exceed the market value of the services performed". The Petition should be denied for this reason alone.

This action in the nature of interpleader, seeking to determine rights and liabilities concerning helium extracted from natural gas, was commenced in 1963 by National Helium Corporation, a major helium extractor, and an affiliate company, Panhandle Eastern Pipe Line Company. The helium was supplied by Lessee Producers owning the gas wells producing helium-bearing natural gas, from lands owned by Landowners who had given leases authorizing production. The Lessee Producer parties and Landowner parties were made representatives of certified classes under Rule 23, FRCP. The action was consolidated in the district court with similar actions brought by other helium extractors. Interrelated actions in other federal and state courts proceeded simultaneously, some being consolidated for appellate review.

For nearly twenty-five years counsel for the ultimately prevailing Lessee Producer class were opposing six teams of other counsel representing four helium-extracting companies (including Cities Service Helex, Inc., an affiliate of petitioner Cities Service Oil and Gas Corporation, and Phillips Petroleum Company, also a petitioner here), Landowners and the Government.

At least six massive appeals to the Tenth Circuit resulted from a series of complex trials in two federal district courts. Engaging in massive discovery and intense litigation over innumerable substantive and legal issues, the siege became an unending war. *Grounds v. Northern Natural Gas Company*, 327 F.2d 1003 (10th Cir. 1964); *Northern Natural Gas Company v. Grounds*, 441 F.2d 704 (10th Cir. 1971), *cert. denied*, 404 U.S. 951, 1063; *Ashland Oil, Inc. v. Phillips Petroleum Company*, 554 F.2d 381 (10th Cir. 1977 *en banc*), *cert. denied*, 434 U.S. 921, 968; *Ashland Oil, Inc. v. Phillips Petroleum Company*, 607 F.2d 335

(10th Cir. 1979), *cert. denied*, 446 U.S. 936; *Northern Natural Gas Company v. Grounds*, 666 F.2d 1279 (10th Cir. 1981), *cert. denied*, 457 U.S. 1126; and several long published and unpublished district court decisions in Kansas and Oklahoma, were but the small tips of icebergs representing the most visible evidence of the issues shaped, fought and resolved in the litigation. Ten unsuccessful petitions for certiorari were filed with this Court by Lessee Producer opponents between 1971 and 1982.

Lead counsel for the Lessee Producer class for the entire 25 year period represented several gas producer parties which were representatives of the class, but which had only a small stake in the outcome, compared to other parties and class members. Due to the inordinate amount of time required to litigate, lead counsel had agreed to bill their clients for minimal amounts from time to time, which would reimburse the law firm for office overhead. A reasonable fee was contingent on, and recoverable only, from a recovery on behalf of the class. All Lessee Producer parties were so advised. In 1974, after liability had been established, a formal filing of this fee arrangement was made with the district court and served upon all parties. (R.Vol. 5, LP Ex. G). No objection by any Lessee Producer, including petitioners, was made to that arrangement. Joint briefs filed on behalf of Lessee Producer class representatives in the trial and appellate courts recognized that reasonable attorneys' fees would be paid from funds, if any, recovered on behalf of the class. The trial court accepted this undisputed and documented contingent fee arrangement. (A. 6a-7a).

Each of the class counsel law firms assumed significant economic risk by making available experienced litigators for many years in protracted litigation wherein risk of

nonrecovery was great. Petitioners' assertion that counsel were paid for all their time at regular hourly rates up to $200 per hour is contrary to the undisputed evidence of record, and the findings below. [In 1984, lead counsel had billed at $200 per hour for some time, but billed nothing for hundreds of hours spent thereafter].

As provided in the 1984 settlement agreement between Lessee Producers, Landowners and National Helium Corporation (and its affiliate, Panhandle Eastern Pipe Line Co.), counsel for the Lessee Producer class in early 1985 filed detailed, verified applications for reasonable attorneys' fees and for reimbursement to class representatives of litigation expense advancements, with interest on those advancements.

Evidentary hearings on these applications were held on March 5, 6, 7, 25 and 26, 1985. During that entire period, petitioners had complete access to all case files of class counsel, including litigation expense advancements and available contemporaneous time records along with all billings made by counsel to their clients for the entire litigation period. Regular contemporary time records were generally available for the period following 1979. For the earlier period, billing statements and other documents provided an objective basis for conservative reconstruction of time, which was presented in the hearings in the form of testimony and exhibits. Forty-five percent of the consolidated helium litigation work was allocated to the settlement with National Helium Corporation. The time of the three law firms and an individual practitioner, acting as class counsel, so allocated to the settlement, amounted to 20,798 lawyer hours, including time required after the hearings to consummate distribution of the set-

tlement funds to many thousands of producers and landowners.[1]

At the March, 1985, hearings, only the three petitioners, out of 470 class members, opposed counsel's litigation expense and fee applications. [Another class representative, Mobil Oil Corporation, filed a recommendation that the total award should be 15% of the Fund, rather than the 16.5% awarded]. One of these was Phillips Petroleum Company which is a Helex company as well as a Lessee Producer and has always opposed any recovery whatever by the Lessee Producers. Petitioner Cities Service Oil & Gas Corporation, while joining the Lessee Producer request for a recovery, allowed class counsel to do all the work because it is a sister subsidiary of another Helex company that has always opposed any recovery in a related case. The third petitioner, Amoco Production Company has by its own admission taken only a secondary role in the recovery even though it will be the biggest beneficiary if the judgment in a companion case is sustained in a now pending appeal. All of the other 467 members of the Lessee Producer class have accepted and paid their shares of the expense and fee award without protest. Among them are the most active, experienced, and informed oil and gas operators in the industry, e.g., Exxon Corporation, the nation's largest energy company. Their acceptance of the award attests its reasonableness by industry standards and belies such remarks as the petitioners' statement that: ". . . the Tenth

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1. Foulston Siefkin Powers & Eberhardt (lead counsel), 10,842 hours; Hershberger Patterson Jones & Roth (co-lead counsel 1964 to 1981), 4,758 hours; Gott Young & Bogle, 3,322 hours; James B. Diggs, 1,876 hours (not including another 3,320 hours spent prior to 1975 as regional counsel for Gulf Oil Corporation).

Circuit refused to protect class members against excessive fees". (Pet. p. 6).

Also attesting to the reasonableness of the 16.5% award is the established practice in Kansas of awarding percentage fees, normally 33 1/3%, to prevailing counsel for royalty owners in oil and gas litigation. In this case such an award was made with unanimous support of royalty owner representative parties, even though they did not prevail against the Lessee Producers. In *Gigot v. Cities Service Oil Company*, 241 Kan. 304, 737 P.2d 18 (1987), the Kansas Supreme Court affirmed an 18% award to Lessee Producer counsel in a helium case like this. Thus in the state where the district court sits, a reasonable percentage fee award is an established practice in oil and gas litigation, and is accepted by the industry, the bench, the bar and the public. Such awards do not subject the courts and the profession to public criticism and the petition does not even suggest that the award in this case did so. It was thus a wise exercise of the trial court's discretion and the many allusions in the petition to percentage fee awards "reflect[ing] adversely upon the integrity of the bar, the judiciary, and the class action device" (Pet. p. 12) have no relevance to the case now before this Court.

Nor do the petition's reference to percentage awards "encourag[ing] races to Bhopal" (Pet. p. 16) have any such relevance. In this case the award was made to defendants' attorneys not to plaintiffs' attorneys. They were called upon to defend their clients and the class against two adverse claims, one by the Landowners on the lease coverage of helium, and the second by the helium companies on the coverage of helium by FPC service rates and FPC gas rate schedules. Both were questions of first

impression. Had Lessee Producers failed against the Landowners, their clients and the class would have been subjected to heavy liability to the Helex companies on their warranties of title. No such circumstances existed in any of the cases on which petitioners rely.

The litigation expense and fee applications contained detailed analyses of the various factors bearing on reasonableness. They included lodestar calculations consistent with those made by other courts. The total sought amounted to 19% of the settlement fund. The applications were supported by Lessee Producer class representative clients of lead counsel, through their staff counsel who were familiar with the litigation.

After the hearings, transcripts of testimony were supplied, in addition to the exhibits. All parties filed detailed requested findings and conclusions. Those of the Lessee Producers included lodestar calculations supporting an award which would be in the range of 16.5% of the fund.

The district court entered its order allowing expenses and fees on May 15, 1985, finding and concluding that an amount equal to 16.5% of the fund was reasonable and fair compensation for all expenses and fees, and that the lodestar formula commonly used in statutory fee-shifting cases was not "equitably appropriate" under the facts of this litigation (A. 17a-18a):

> . . . The lodestar formula commonly used in determining the applications for attorney fees in cases when such an award is authorized by a specific statutory provision is not, in our opinion, legally applicable to this "common fund case" and equitably appropriate under all of the facts and circumstances of

this litigation, see *Blum v. Stenson,* ..... U.S. ....., 104 S.Ct. 1541, 1549 note 16 (1984). We believe that the award of attorneys' fees less expenses on a percentage basis from a fund recovered for the benefit of the class in this case is not inappropriate, see *Boeing Co. v. Van Gemert,* 444 U.S. 472, 478-491, 62 L.Ed.2d 676, 681-682 (1980). We point out that if we had attempted to adopt the lodestar formula, the lessee-producers' attorneys would have met with ease all of the applicable lodestar standards for the determination of a reasonable and fair fee for the services rendered to the class. . . .

"In the early phase of this litigation, counsel and their clients found no necessity to maintain detailed records for services rendered . . . We have examined the reconstructed records carefully. With this Court's intimate involvements and observations from presiding in this litigation since its filing in 1963, we find the expended hours claimed in the verified fee applications and the attached affidavits to be reasonably acceptable as one part of a lodestar formula determination. See *Ramos v. Lamm,* 713 F.2d 546, 554 note 1 (10th Cir. 1984)."

The district court proceeded to weigh the specific factors relevant to reasonableness in supporting the finding that "the amount represented by this percentage is reasonable and is required to adequately compensate such counsel". (A. 6a-7a). The record included economic testimony adjusting current dollars by past inflation and loss of interest, to arrive at actual dollars per hour as of the time the services were performed. The maximum so calculated for lead counsel as allowed by the district court averaged $90 per hour, while the average for other class

counsel was considerably less. (R.Vol. 5, LP Ex. H; R.Vol. 8, pp. 176-178).

In reimbursing class representatives for their expense advancements over the years (taken out of the 16.5%, leaving a net fee award equal to approximately 14%), the district court allowed them interest from the date of their advancements, which happened to equal the principal. (A. 15a). The interest allowance was not an arbitrary doubling of the amounts they were entitled to, as petitioners suggest. The entire expense and fee allowance was less than the postjudgment interest earned by the fund from the date of final judgment, November 8, 1983, to the date of the 1985 payout.

The Tenth Circuit opinion noted the long and convoluted history of this case (A. 3a):

> An award of attorneys' fees is a matter uniquely within the discretion of the trial judge who "has intimate knowledge of the efforts expended and the value of the services rendered." *United States v. Anglin & Stevenson*, 145 F.2d 622, 630 (10th Cir. 1944), *cert. denied*, 324 U.S. 844, 65 S.Ct. 678, 89 L.Ed. 1405 (1945). We view the award here in the context of approximately twenty-five years of litigation including several state and federal district court cases, at least six appeals to this circuit, massive discovery and evidentiary development, and several thousand docket entries. The total record of related cases in this matter is among the largest ever amassed in this circuit. Perhaps most significantly for the questions before us, the district court judge who determined the attorneys' fee award was involved in substantially all of this litigation. His experience with

> and knowledge about the course of the litigation compels appellate court deference to his determination in the absence of an abuse of discretion. *Lucero v. City of Trinidad*, 815 F.2d 1384, 1386 (10th Cir. 1987).

The court ruled that the lodestar method utilized in its statutory fee awards need not, as a matter of law, be utilized in this common fund case, as long as specific factors relevant to reasonableness are considered and articulated. The court of appeals did not, as petitioners suggest (p. 10) require a percentage award, but rather held that in the circumstances of this case such an award was not, per se, an abuse of discretion. The lodestar method is still available in common fund cases where appropriate. (A. 3a).

The appellate court reviewed the trial record, finding that the trial court had carefully weighed and applied all factors relevant to reasonableness, specifically noting:

> "There is ample evidence in the record to support each of the reasons relied upon by the trial judge. The court here clearly considered all of the relevant Johnson factors and applied them appropriately. The trial judge considered the time and work involved. The record contains documentation supporting the time claims. . ." (A. 7a).

After reviewing the trial court's analysis of the relevant factors governing reasonableness, the appellate court concluded that "in a common fund case, the time and labor involved factor need not be evaluated using the lodestar formulation when, in the judgment of the trial court, a reasonable fee is derived by giving greater weight to other factors, the basis of which is clearly reflected in the record." (A. 9a).

ARGUMENT

IN THIS COMMON FUND CASE, THE TRIAL COURT WHICH WEIGHED TIME AND OTHER FACTORS WAS NOT REQUIRED TO MAKE A LODESTAR CALCULATION IN ALLOWING ATTORNEYS' FEES.

This case is *sui generis*. Most of the litigation occurred decades before the lodestar formula became generally applicable in statutory fee-shifting cases. This case, unlike any other "common fund" fee case, was litigated over a twenty-five year period notable for its rampant inflation. And unlike most class actions, the Lessee Producer class members in this case are largely oil and gas companies which have staff counsel overseeing their interests. Staff counsel for a number of Lessee Producers actively supported or testified at the hearing in support of lead counsel's fee application.

This case is neither a statutory fee-shifting case nor is it a "quasi-common fund" resulting from settlement of statutory fee claims along with the merits. Statutory fee cases involve different policies applicable to awards under fee-shifting statutes. It is, rather, a traditional "common fund" case, in which both state and federal courts may properly award reasonable fees expressed as a percentage of the recovery, as long as factors bearing on reasonableness are weighed and considered. *Blum v. Stenson*, 465 U.S. 886, 900 note 16 (1984); *Commonwealth of Puerto Rico v. Heckleer*, 745 F.2d 709 (D.C. Cir. 1984); Hornstein, Counsel Fee Awards, 69 Harv. L.Rev. 658; Newberg on Class Actions, Sec. 14.03 (2d Ed. 1985); Newberg, Attorney Fee Awards (McGraw Hill, Inc. 1986) §§2.06, et seq. Cf., *Boeing Co. v. Van Gemert*, 444 U.S. 472 (1980). The

lodestar formula is but one of several tools used by courts in arriving at a reasonable fee, which is the object in all such cases. *In re Boston & Maine Corp. v. Sheehan, Phinney, Bass & Green*, 778 F.2d 890, 895 (1st Cir. 1985).

Although the trial court found it unnecessary to express a lodestar calculation in its written order, the requested findings submitted to the court contained standard lodestar calculations (using a multiplier of 3 times hourly rates times hours) demonstrating the reasonableness of the amount, equal to 16.5% of the fund, ultimately found reasonable by the court. Accordingly, the district court did find that application of a lodestar formula would easily confirm "the determination of a reasonable and fair fee for the services rendered to the class." (A. 18a).

Petitioners' citation of such cases as *Brewer v. Southern Union Co.*, 607 F.Supp. 1511 (D. Colo. 1984), does not establish the asserted "conflict" or "confusion" in decisions. Indeed, that case summarizes comparable decisions, and finds that reasonable awards comparable to that by the district court in our case are supported by either lodestar or percentage determinations as long as relevant factors are considered and applied. In that five year old case, Chief Judge Finesilver awarded an amount equal to 14% of a $75 million settlement fund by utilizing lodestar calculations. The 14% allowance was also well in line with comparable percentages found reasonable in comparable cases. (607 F.Supp. at 1533). The lodestar calculation for lead class counsel used a multiplier of 3.35 times his $200 per hour rate, times hours, well within the range of multipliers used in comparable cases. (607 F.Supp. at 1533, 1535). This was a "quasi-common fund" settlement of an antitrust suit which also sought statutory attorneys' fees. The case was only five years old, not twenty-

five years old as ours. Interim fees had been paid during its pendency, in amount greater than those paid Lessee Producer class counsel here. Even without adjusting for the loss of inflation and interest during twenty additional years' delay in the instant case, the fee award in *Brewer* is closely in line with the allowance by the trial judge in the instant case—a judge known throughout the circuit for his conservative fee awards. Considering the numerous trial and appellate proceedings in the present case, as compared with settlement after one trial in *Brewer*, and comparing attorney time spent in these two sets of complex cases (20,798 hours vs. 22,190 hours in *Brewer*) on its face supports the trial court's finding that Lessee Producer class counsel performed the legal services "without unnecessary duplication and in an efficient manner." (A. 7a). It should go without saying that a district court is not required, per se, to utilize a lodestar calculation in this traditional common fund case where fee arrangements were made and most of the work was performed before the present lodestar concept, now used for allowances under fee-shifting statutes, was even formulated.

Against the solid record of evidence supporting the expense and fee allowance, and the lower courts' analyses of that record, petitioners' florid misstatement of facts becomes irrelevant. Petitioners' attempt to resurrect the old evils of "arbitrary percentage" awards which exceed "market value" is concretely disproved by the record and the findings below.

The so-called "conflict" between the Tenth Circuit and other courts simply does not exist. The cases from the other circuits on which petitioners rely were decided ten years before *Blum v. Stenson*, 465 U.S. 886 (1984). The instant case was the only common fund case in which

a circuit court has relied on the *Blum* distinction between statutory fee cases and common fund cases. There will be no conflict in circuits unless and until some other circuit refuses to follow the distinction which this Court makes. The Tenth Circuit, in fee-shifting statute cases, carries out this Court's rulings applying lodestar methodology. E.g., *Hensley v. Eckerhart*, 461 U.S. 424 (1983); *Blum v. Stenson*, 465 U.S. 886 (1984); *Ramos v. Lamm*, 713 F.2d 546 (10th Cir. 1983). Yet in common fund cases, courts often recognize the substantial different policies of fee allowances from traditional common funds, as we have noted. See also, Court Awarded Attorney Fees, 108 F.R.D. 237, 250 (Report of the Third Circuit Task Force, October 8, 1985). Nine substantial criticisms of the lodestar approach [which approach had been initiated by the Third Circuit in its "Lindy" cases in the 1970's] led the Task Force to the conclusion that a percentage allowance in common fund cases is more appropriate than lodestar. (108 F.R.D. at 246, 254). The Task Force also noted this Court's recognition that reasonable fees in common fund cases could be allowed based on a percentage of the fund bestowed on the class (unlike allowances under fee-shifting statutes). 108 F.R.D. at 251, citing *Blum v. Stenson*, 465 U.S. 886, 900 n.16. The Task Force recommended, however, that percentage fee allowances be established early in the case, rather than at the end of the case. (108 F.R.D. at 255).

Recent texts analyzing fee decisions also recognize the inappropriateness of a strict lodestar approach in common fund cases. Rather, a reasonable percentage of the fund, after consideration of specified guidelines and particular circumstances of the case, is generally preferred. Once these guidelines and circumstances are considered, the trial judge will not be reversed unless his

discretion is "abused". E.g., Newberg, Attorney Fee Awards (McGraw-Hill, Inc. 1986), §2.07, p. 43.

Moreover, Kansas state courts in common fund cases are permitted in similar circumstances to determine reasonable fees equal to a percentage of the fund. *Gigot v. Cities Service Oil Company*, 241 Kan. 304, 737 P.2d 18 (1987) [Reasonable amount equal to 18% of helium settlement fund within discretion of trial court, which considered specified guidelines].

All these authorities lead to the conclusion that in common fund cases the trial judge has discretion to fix a reasonable fee as long as factors relevant to reasonableness are determined and considered. Whether a lodestar calculation itself is helpful under the circumstances is, in such cases, discretionary with the trial court. The experienced trial judge in this case carefully considered all pertinent guidelines, and the circumstances of the case which he had supervised from the beginning. The Tenth Circuit carefully reviewed the record, and was itself familiar first-hand with earlier appeals and records of earlier trials in this helium litigation.

The decision below correctly decided that the trial court had properly considered all relevant factors bearing on reasonableness, and that its considered judgment allowing litigation expenses and fees was not an abuse of discretion. The decision does not conflict with comparable common fund cases. It carries out sound public policy requiring courts to consider carefully all factors relevant to reasonableness before fixing the amount to be allowed as fees from a common fund.

And it is readily apparent that the trial court confirmed the reasonableness of the expense and fee allowance by comparing it with the lodestar methodology pre-

sented alternatively to it in the post-hearing requested findings. Petitioners' request that this case be remanded to require application of a specific lodestar calculation is plainly without merit. Any remand for that purpose obviously would not change the result.

CONCLUSION

The petition should be denied.

Respectfully submitted,

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APPENDIX

RULE 28.1 STATEMENT OF NON-WHOLLY OWNED SUBSIDIARIES AND AFFILIATES

ASHLAND OIL, INC.

Arch Mineral Corporation
Ashland Coal, Inc.
Etablissement Locab
Ashland-Otilub S.A. Industria Quimica
Super Mom's Kitchens, Inc.
B.V. Ashland-Suedchemie V/h Necof
CARBOGAL-Carbonos de Portugal SARL
Gravcap, Inc.
Iberia Ashland Chemical S.A.
Locap, Inc.
Loop, Inc.
Melamine Chemicals, Inc.
Minnesota Pipe Line Company
Parish Pipe Line Company
Saudi Industrial Resins Limited
Resource Sciences-Arabia Ltd.
Williams Brothers Canada Limited
Northern Engineering Services Company Limited
Wicmap Transport Pty. Ltd.
Resource Sciences Malaysia Sdn. Bhd.
Tecumseh Pipe Line Company
United Carbon India, Limited
Australian Carbon Black Pty. Ltd.
Malaysian Carbon Sdn. Bhd.
P.T. Indocarb
Negroven, S.A.
Ashland-Avebene
Ashland Croda Pty. Ltd.
Ashland De Mexico S.A. de C.V.
Ashland Resinas Sinteticas, Ltda.
Ashland-Suedchemie-Kernfest GmgH
Ashland-Suedchemie-Gremolith AG
George Hantos & Co, OHG
Kernfest-Webac, A.B.
Oleotecnica, S.A.

Arch Mineral Corporation
Medicine Bow Coal Company
Cresent Petroleum Company
Ashland Exploration (U.K.) Ltd.
Ashland Oil (Nigeria) Company
Cumberland Materials, Inc.
Ashland Coal, Inc.
Delmar Plaza Associates
Maplewood Corporation
Travelers Inns of Charlotte, Inc.
Travelers Inns of Winston-Salem, Inc.
Travelers Inns of Wytheville, Inc.
Mikropul G.m.b.H.
Transdutos Engenaria Limitada, S.A.
Seapac Chemical and Trading Co. (Pte.) Ltd.
Resource Sciences Gulf Limited
Williams Brothers Iran Consulting Engineers

ATLANTIC RICHFIELD COMPANY

Alyeska Pipeline Service Company
Anamax Mining Company
ARCO Chemical Company
ARCO Solar (Europe) GmbH
ARCO Solar Nigeria Ltd.
Arcobrasil Participacoes e Investimentos Ltda.
Badger Pipeline Company
Black Lake Pipe Line Company
Blair Athol Coal Pty. Limited
Compania Minera Dos Republicos S.A. de C.V.
Compania Petrolera Carco
Colonial Pipeline Company
Cook Inlet Pipe Line Company
Curragh Coal Sales Co. Pty. Ltd.
Dixie Pipeline Company
East Texas Salt Water Disposal Company
85819 Canada Limited
Eisenhower Mining Company
FX Liquidation Corporation
Industrias Nacobre S.A. de C.V.
Iricon Agency Ltd.
Kenai Pipe Line Company

Kuparuk Transportation Company
Las Quintas Serenas Water Company
Logan Aluminum, Inc.
Nordisk Mineselskab A/S
Platte Pipe Line Company
Prince Consolidated Mining Company
Rodman, Inc.
Showa Arco Solar Far East Pte Ltd.
Showa Arco Solar KK
Sinclair Venezualan Oil Company
Smoke House Copper Mining Company
Tecumseh Pipe Line Company
Texas-New Mexico Pipe Line Company

CABOT CORPORATION

Austrialian Carbon Black Pty. Limited
Berylco Cabot Metaux Speciaux
Cabot Alloys (U.K.) Limited
Cabot Argentina Sociedad Anonima Industrial y Comercial
Cabot Belguim, S.A.
Cabot Carbon Limited
Cabot Columbiana, S.A.
Cabot do Brasil Comercia e Industria Limitada
Cabot Exploration International Corp.
Cabot France, S.A.
Cabot GmbH
Cabot Insurance Co., Ltd.
Cabot Italiana Societa per Azioni
Cabot Plastics Limited
Cabot S.A.
Cabot Safety Limited
Deloro Stellite (U.K.) Limited
Cabot Stellite Europe Limited
Capuava Carbonos Industriais, S.A.
Deloro Stellite AB
Deloro Stellite GmbH
Deloro Stellite Iberica S.A.
Deutsche Beryllium GmbH
Energy Transport Limited
High Performance Alloys Company

Ingal International Gallium GmbH
Iran Carbon Company, Ltd.
N.V. Kawecki-Billiton Metaalindustrie
Kawecki-Billiton (U.K.) Ltd.
KBI Export Corp.
Showa - KBI Co., Ltd.
Showa Cabot Kabushiki Kaisha
Tugfork Corporation
White Shoal Pipeline Corporation
Malaysian Carbon Sdn. Bhd.
Tantalum Mining Corporation of Canada, Limited
Materiaux et Produits Electroniques et Nucleaires S.A.R.L.
Nickel-Contor Deutschland GmbH
Nickel-Contor AG fur Nickel und Nickellegierungen
Cabot Alloys France
Technologica Vertriebsgesellschaft fuer technische Erzeugnisse GmbH

DAMSON OIL CORPORATION
(Formerly Dorchester Gas Corporation)

Damson Oil Corporation
D.O.C. Operating Services Corporation
D.O.C. Drilling Services Corporation
Doram Energy, Inc.
Damson Exploration Corporation
Damson Oil International
Damara Oil (Cameroon) Ltd.
Damson Securities Corporation
D.O.C. - Louden G.P. Corporation
D.O.C. - L.P. Corporation
Stinnett Oil Company
Damson Holding Corporation
Damson Oil Tower Corporation
Wyandotte Holding Corporation
Damson-Louden Title Holding Corporation
Damson Gas Processing Corp.
Damson Executive Rights Holding Corporation
DOC Development Drilling Corporation N.V.
Damson 82 Dev. 2 G.P. Corp.
Damson Consolidated Nominee, Inc.

Damson 1983-84 G.P. Corp.
Damson 1983-84 Limited Partner Corp.
Dorchester Gas Corporation
Damson Juniper Drilling, Inc.
Damson Properties, Inc.
Damson Institutional Series 82E-1 Corporation
Damson Institutional Series 82E-2 Corporation
Damson Institutional Series 83E-1 Corporation
Damson Institutional Series 83E-2 Corporation
Damson Institutional Series 83E-3 Corporation
Damson Institutional Series 84E-1 Corporation
Damson Institutional Series 84E-3 Corporation
Damson Institutional Series 84E-4 Corporation
Damson Institutional Series 85E-1 Corporation
Damson Investor Services Corporation
Damson Energy Nominee, Inc.
Dorchester Coal Company
Rosamond Drilling Company, Inc.
Dorchester Refining Company
Dorchester Exploration, Inc.

HELMERICH & PAYNE, INC.

Helmerich & Payne Properties, Inc.
Utica Square Shopping Center, Inc.
The Tearoom in Utica Square, Inc.
The Hardware Store in Utica Square
The Space Center, Inc.
H & P DISC, Inc.
Helmerich & Payne Coal Co.
Helmerich & Payne Finance, N.V.
Helmerich & Payne International Drilling Co.
Subsidiaries:
Helmerich & Payne, C.A.
Helmerich & Payne (Colombia) Drilling Co.
Helmerich & Payne del Ecuador, Inc.
Helmerich & Payne (Guatemala) Drilling Co.
Helmerich & Payne (Peru) Drilling Co.
Helmerich & Payne (Trinidad) Drilling Co.
Helmerich & Payne Rasco, Inc.
Helmerich & Payne de Venezuela, C.A.

TEXACO INC.

African Petroleum Terminals, Ltd.
American Overseas Petroleum Limited
Arabian American Oil Company
Badger Pipe Line Company
Caltex Deutschland GmbH
Caltex Mediterranean Limited
Caltex Petroleum Corporation
Colonial Pipeline Company
Coltexo Corporation
Deutsche Texaco Aktiengelsellschaft
Dixie Pipeline Company
Explorer Pipeline Company
Ful-Tex Euro Services Inc.
Kaw Pipe Line Company
Laurel Pipe Line Company
LOCAP Inc.
Loop Inc.
Neches Butane Products Company
Olympic Pipe Line Company
Pipelines of Puerto Rico Inc, The
P.T. Caltex Pacific Indonesia
Refineria Texaco De Honduras, S.A.
Skandinaviska Raffinaderi Aktiebolaget Scanraff
Sociedade Anonima de Oleo Galena-Signal
Societa Per Azioni Raffineria Padana Olii Minerali Sarpom
Texaco Angola-Prospeccao e Producao
Texaco Butadine Company
Texaco Canada Inc.
Texaco-Cities Service Pipe Line Company
Texaco Gabon
Texaco Ghana Limited
Texaco Inc.
Texaco Maroc
Texaco Mexicana
Texaco Nigeria Limited
Texaco Overseas (Nigeria) Petroleum Company
Texaco Togo
Texas-New Mexico Pipe Line Company

West Shore Pipe Line Company
Wolverine Pipe Line Company
Wyco Pipe Line Company
Zaire-Texaco S.A.R.L.